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#### Abstract

The purpose of this study was to research the massively grown phenomenon of selling television formats as a form of international trade in television industry. Furthermore, it was to examine the potential of the Finnish independent production companies to internationalise through television format sales. The POM-posture of Luostarinen was used as a framework for theoretical proposals. The results of the study are based on a literature review and the interviews with representatives of production companies and television companies operating in the Finnish television industry in 2000. Television formats are to great extent immaterial goods, technology traded within the international television market. The exchange of this technology includes a transfer of know-how and rights to exploit it. From the industrial perspective television formats can be either approached by classifying them into different types or examining their value creation. From legal perspective, the nature of television formats creates a challenge over how to protect the property of infringement. The format market can be divided by country-markets, continents or by regions. The format trade seems to be mostly a mode of business taking place in between the production companies or the distributors and the television companies. Licensing as a mode of business operation seems to best emphasise the nature of the transfer as in most cases the licensor retains the ownership of the object of sales. The process of selling television formats consist of formulating the format package, marketing and searching for the potential format licensees, selecting the suitable format licensees and signing the format agreement.

The study concludes that format sales as a form of international trade in television industry can be assessed by identifying the key motives striving different actors forward in engaging in the format business. For a licensee the television format represents a less-risky investment opportunity and at best, a formula of success. For a licensor, it most often offers means with perceivable lesser resources to duplicate the home market successes elsewhere.

In order to become successful in format trade, a Finnish production company is to devise idiosyncratic television programmes produced with a good production value and aired preferably in prime time in a major domestic television channel with good viewing ratings. These programmes should be packaged as formats desirably with additional content and applications for multi-purposed use in different media by so generating additional means for profits. To penetrate the markets with its television formats, the company is to network and ally with an internationally operating distributor. The initial licensing of a format into a major channel in a big television market serves as the best reference in regards the further sales of the format.

Key words	television format, independent production company, television industry, international trade, technology transfer, licensing, POM-posture
Further information	

